

(“TPU”) under the trade name Estane®. Lubrizol’s products were sold and shipped, and intended to be sold and shipped, in interstate and foreign commerce. At all relevant times, Lubrizol took steps to safeguard confidential and proprietary business and technological information (“trade secrets”). These measures included, but were not limited to, confidentiality agreements, instructions to employees regarding the dissemination of such information, and restricting access to certain information to a limited number of high-level employees through password protection and electronically coded passcards.

2. SK Chemicals (“SK”) was a multinational chemical company with its principal place of business in Seoul, South Korea. SK was an affiliate company of SK Holdings Co., Ltd, a holding company located in Seoul, South Korea. SK maintained offices throughout the world, including the United States. SK was in the business of manufacturing and selling specialty chemicals including polyurethane resins, including TPU sold under the trade name Skythane, and other high performance chemicals. SK was a competitor of Lubrizol.

3. The defendant, KYUNG J. KIM, was a resident of Broadview Heights, Ohio. KIM was Senior Research and Development Associate at Lubrizol Advanced Materials, Inc. As a Lubrizol employee, defendant KYUNG J. KIM agreed to abide by Lubrizol policies to avoid conflicts of interest, maintain the confidentiality of proprietary information, and avoid the disclosure of trade secrets to any third party.

4. Executive A was Team Leader, Skythane Team, at SK.

5. Executive B was Associate Research Engineer/Resins Team in the Specialty Chemicals Division of SK. Executive B worked at an SK Plant in Suwon, South Korea.

6. Executive C was Production Manager, Resins Business Team, at the SK Suwon Plant in Suwon, South Korea and Team Leader, Skythane Team.

COUNT 1
(Theft of Trade Secrets Conspiracy)

7. The factual allegations contained in paragraphs 1 through 6 are incorporated herein as if set forth in full.

8. From in or about late 2001 through in or about January 2008, in the Northern District of Ohio, Eastern Division, and elsewhere, the defendant, KYUNG J. KIM, did knowingly conspire and agree with Executive A, Executive B, Executive C, and others known and unknown to commit the following offenses:

a. Theft of Trade Secrets, in violation of 18 U.S.C. §§ 1832(a)(2) and (a)(3).

9. It was part of the conspiracy that the defendant, KYUNG J. KIM, would gather Lubrizol trade secrets regarding TPU and other technology and provide them to the co-conspirators; this included Non-Halogen Flame Retardant Technology (NHFR) sold under the Estane® trade name and static control technology sold under the Stat-Rite® trade name.

10. It was part of the conspiracy that the defendant, KYUNG J. KIM, would meet with the co-conspirators at hotels and condominiums at various sites including Tucson, Arizona, Niagara Falls, Canada, and Suwon, South Korea. These meetings occurred on at least seventeen (17) occasions and would last for several days. At these meetings, KYUNG J. KIM would explain the trade secrets and other confidential Lubrizol technology to the co-conspirators.

11. It was part of the conspiracy that the co-conspirators would provide KYUNG J. KIM with envelopes of \$10,000 in cash (usually in denominations of \$100 bills) at each meeting in exchange for the trade secrets and other confidential Lubrizol technology. The co-conspirators would also reimburse all of KYUNG J. KIM's travel expenses (usually \$1100).

12. In order to lend legitimacy to the conspiracy, the co-conspirators referred to the arrangement as a "consultancy" despite the fact that KYUNG J. KIM was a full-time employee at Lubrizol and subject to a duty of loyalty to Lubrizol.

13. In furtherance of the agreement and to effect its objects, the defendants committed, among others, the following overt acts in the Northern District of Ohio, Eastern Division:

a. On or about December 26, 2004, defendant KYUNG J. KIM reserved a room at the Westin La Paloma Resort in Tucson, Arizona for a meeting with co-conspirators.

b. In or about late March 2007, defendant KYUNG J. KIM downloaded Lubrizol trade secrets and confidential technology onto an external computer storage device in preparation for a meeting with co-conspirators.

c. In or about late June 2007, defendant KYUNG J. KIM downloaded Lubrizol trade secrets regarding TPU including Non-Halogen Flame Retardant Technology (NHFR) onto an external computer storage device in preparation for a meeting with co-conspirators.

d. On or about March 27, 2007, defendant KYUNG J. KIM flew from Cleveland Hopkins International Airport to Seoul Incheon International Airport to meet with co-conspirators.

e. On or about July 2, 2007, defendant KYUNG J. KIM flew from Cleveland Hopkins International Airport to Seoul Incheon International Airport to meet with co-conspirators.

All in violation of Title 18, United States Code, Section 1832(a)(5).

COUNT 2
(Theft of Trade Secrets)

14. The factual allegations contained in paragraphs 1 through 6 are incorporated herein as if set forth in full.

15. In or about late March 2007, in the Northern District of Ohio, Eastern Division, and elsewhere, the defendant, KYUNG J. KIM, with the intent to convert trade secrets belonging to Lubrizol to the economic benefit of SK and its representatives, which trade secrets are related to and included in products that are placed in interstate and foreign commerce, did knowingly copy, duplicate, download, transmit, deliver, communicate, and convey Lubrizol trade secrets, knowing them to have been obtained and converted without authorization, intending and knowing that these actions would injure Lubrizol.

All in violation of Title 18, United States Code, Section 1832(a)(2).

COUNT 3
(Theft of Trade Secrets)

16. The factual allegations contained in paragraphs 1 through 6 are incorporated herein as if set forth in full.

17. In or about late June 2007, in the Northern District of Ohio, Eastern Division,

and elsewhere, the defendant, KYUNG J. KIM, with the intent to convert trade secrets belonging to Lubrizol to the economic benefit of SK and its representatives, which trade secrets are related to and included in products that are placed in interstate and foreign commerce, did knowingly copy, duplicate, download, transmit, deliver, communicate, and convey trade secrets, specifically Lubrizol trade secrets regarding TPU including Non-Halogen Flame Retardant Technology (NHFR), knowing them to have been obtained and converted without authorization, intending and knowing that these actions would injure Lubrizol.

All in violation of Title 18, United States Code, Section 1832(a)(2).

WILLIAM J. EDWARDS
ACTING UNITED STATES ATTORNEY